GROWTH AND
OPPORTUNITY:

A SWOT ANALYSIS

2017

MECKLENBURG COUNTY COMMUNITY

PULSE REPORT

ROMARE BEARDEN PARK

MECKLENBURG COUNTY COMMUNITY

PULSE REPORT

Mecklenburg County has the largest population of any county in the State of North Carolina. The County includes the City of Charlotte; towns of Cornelius, Davidson, and Huntersville (north of Charlotte); and the towns of Matthews, Mint Hill, and Pineville (south and southeast of Charlotte). Mecklenburg County is home to more than 1,000,000 residents, making it the most populous county between Atlanta, Georgia and Washington, D.C. In fact, between 2005 and 2015, the metropolitan region's population growth rate averaged 2.6 percent.

Over the last decade, Mecklenburg County has attracted a large and growing number of people from around the country and the world. As a major hub for American Airlines – one of the country's largest airlines – it is easy to get to Mecklenburg County. This access has helped attract several Fortune 500 and 1000 companies that bring millions of investment dollars into the local economy. With a world-renowned park and recreation system, a range of professional sports teams, and diverse communities, people who come to Mecklenburg County find an energized downtown and a variety of living options.

SWOT

The 2017 Mecklenburg County Community Pulse report serves to provide insight into the strengths, weaknesses, opportunities and threats (SWOT) in the community. Using the SWOT approach, the report highlights economic, social, and educational metrics and indicators for Mecklenburg County. These factors are important to highlight given community challenges with economic opportunity and upward mobility.

The report includes the current state of Mecklenburg County and offers an indication of where the County may be headed in the next several years. While there are no recommendations in the report, it provides important context for a better, more attractive community for those who want to (or already) LIVE, LEARN, WORK and RECREATE in Mecklenburg County.

- **S** STRENGTHS
- **W** WEAKNESSES
- **O** OPPORTUNITIES
- **T** THREATS

CHARLOTTE LIGHTRAIL

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The 2017 Mecklenburg County Community Pulse report compiles data and reports from: County staff, The Brookings Metropolitan Policy Program, The Pew Research Center, Carolina Population Center at University of North Carolina and others to provide a framework for analyzing the internal and external factors that will affect the County in the future.

THOMAS POLK PARK

DEMOGRAPHICS

Mecklenburg County never stopped growing, even during the recent recession. This strong performance has been driven largely by in-migration, and those migrants typically are better educated than the native population. This pattern offers the opportunity for the County to continue to grow by tapping into external labor markets for the skills needed in the local economy.

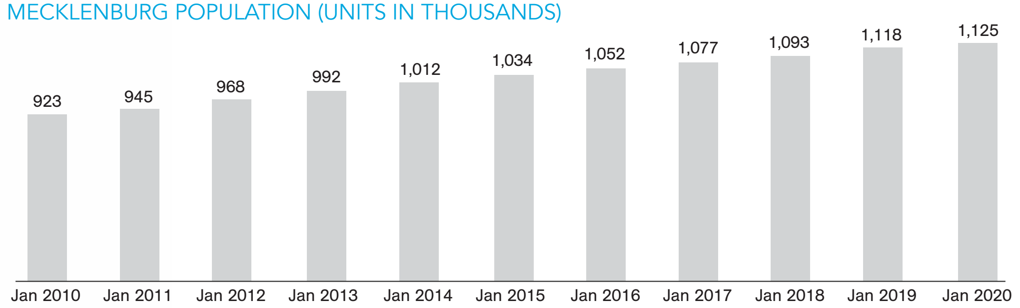
A threat to this beneficial pattern is that long-distance migration is declining nationally (i.e. fewer people are making long-distance moves for employment), threatening this pipeline of workers. Long-term decline in willingness to relocate for jobs is related to the aging of the workforce, high home ownership rates, and dual-income households.

This pattern of population growth, combined with the effects of the recent recession, has contributed to a weakening middle class in the County. The County faces the threat of growing inequality if the business community becomes reliant on this influx of skilled workers and moves away from training local populations to fill positions.

MECKLENBURG POPULATION CONTINUES TO GROW

Projections show the County growing by approximately 200K people from 2010 to 2020.

MECKLENBURG POPULATION (UNITS IN THOUSANDS)



Sources: US Census for historic data estimates; Applied Geographic Solutions (AGS) for projections.
Note: 2017 and 2019 data are calculated from series data.

MECKLENBURG IS AMONG THE FASTEST GROWING

Among U.S. counties with a population of 500,000 or more, Mecklenburg County ranked eighth in growth from 2010 to 2015, only slightly trailing Wake County, a peer city within the state of North Carolina.

Rank	County	2010 Pop	2015 Pop	Change	% Change
1	Fort Bend County *(Richmond)*, TX	584,832	716,087	131,255	22.4
2	Denton County *(Denton)*, TX	662,615	780,612	117,997	17.8
3	Collin County *(McKinney)*, TX	782,351	914,127	131,776	16.8
4	Travis County *(Austin)*, TX	1,024,347	1,176,558	152,211	14.9
5	Denver County *(Denver)*, CO	599,860	682,545	82,685	13.8
6	Wake County *(Raleigh)*, NC	901,021	1,024,198	123,177	13.7
7	Lee County *(Fort Myers)*, FL	618,754	701,982	83,228	13.5
8	**Mecklenburg County *(Charlotte)*, NC**	**919,666**	**1,034,070**	**114,404**	**12.4**
9	Orange County *(Orlando)*, FL	1,145,954	1,288,126	142,172	12.4
10	District of Columbia	601,767	672,228	70,461	11.7
11	Utah County *(Provo)*, Utah	516,640	575,205	58,565	11.3
12	Gwinnett County *(Lawrenceville)*, GA	805,324	895,823	90,499	11.2
13	Harris County *(Houston)*, TX	4,093,076	4,538,028	444,952	10.9
14	Bexar County *(San Antonio)*, TX	1,714,774	1,897,753	182,979	10.7

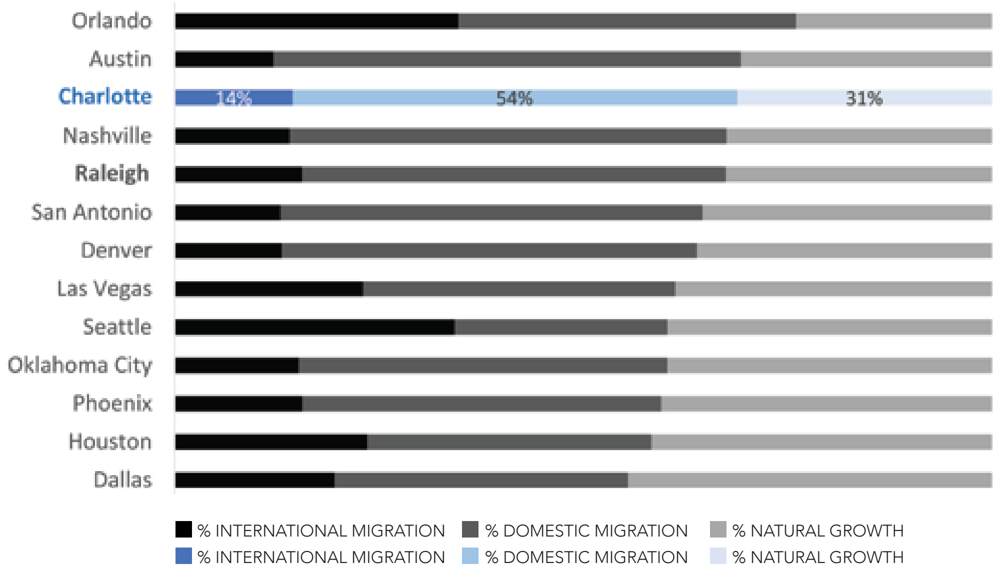
Sources: US Census Population estimates April 1, 2010 and July 1, 2015, filtered for counties with 500K population or more.

UPTOWN CHARLOTTE

MIGRATION IS KEY DRIVER OF GROWTH

Most of Charlotte metro's growth between 2010 and 2015 can be attributed to migration, specifically migration of U.S. residents from areas outside of the Charlotte region.

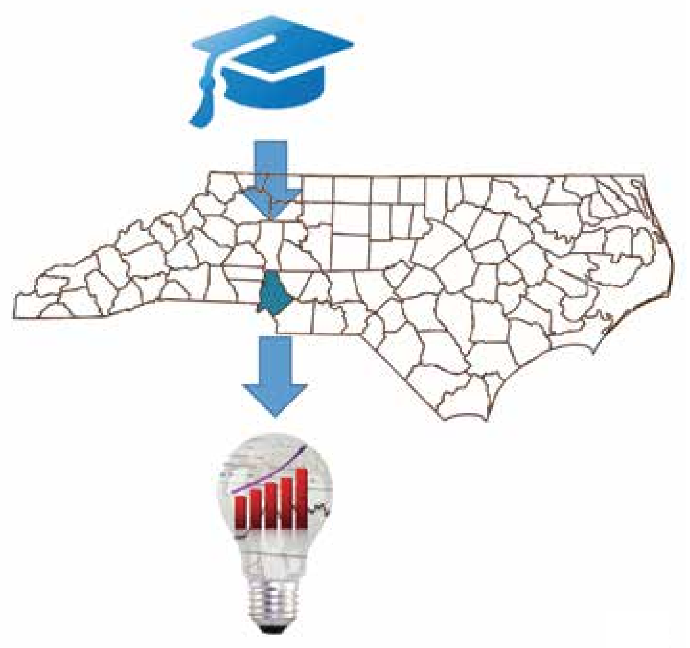
COMPONENTS OF POPULATION CHANGE, 2010-2015



Sources: 2015 Population Estimates, U.S. Census Bureau; Rebecca Tippett ,Carolina Demography, University of North Carolina

HOW LONG WILL THIS BENEFICIAL CYCLE LAST?

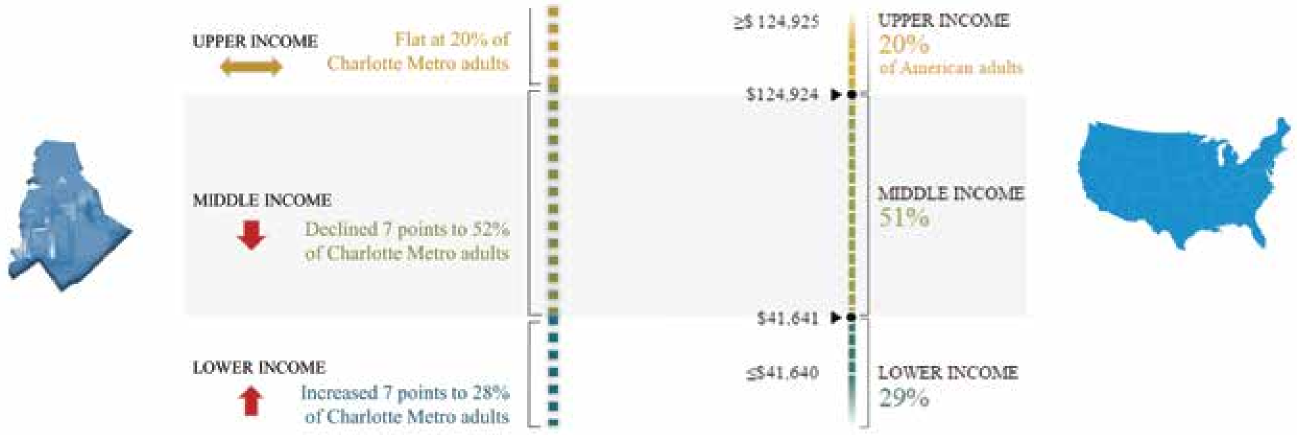
While the County currently benefits from the influx of educated workers, there is a long-term national decline in willingness to relocate for jobs. There is also the potential for growing inequality if businesses do not see job training of local residents as critical to filling their positions.



UPWARD MOBILITY: SHRINKING MIDDLE CLASS

The national trend since 2000 has been increasing upper and lower income populations with a decreasing middle income population. The Charlotte region matches part of that trend - the decrease in middle and increase in lower income residents. The effect of this trend tends to be worse in areas of heavy manufacturing loss, which is more prominent in metros like Hickory, which was one of the areas hit worse by this trend nationally.

CLASS CHANGES FROM 2000 TO 2014



Source: Pew Research Center, based on 2013-2014 dollars

Note: Incomes are adjusted for household size and then scaled to reflect a three-person household. Adjustments are also made for the cost of living in a metropolitan area.

ECONOMY

The local metro economy has been among the top fifth of U.S. metropolitan areas since 2004 in overall growth in jobs, output, and aggregate wages, in spite of the recession. That has included ranking seventh nationally from 2013 to 2015 in advanced industry growth. In general, sectors in the local economy experiencing strongest growth align closely to the fastest growing sectors nationally.

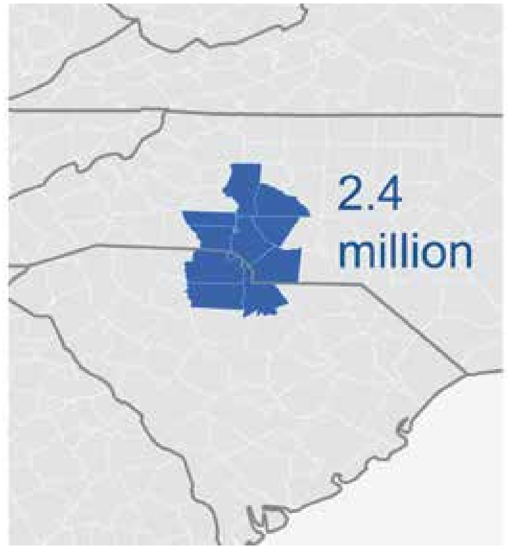
Rising wages contribute to this positive economic picture which has shown few weaknesses as the recovery period has progressed. This dynamic economy is driving demand for skilled workers. This provides opportunities for both the newcomers who bring skills and education with them, as well as the local population, if they have, or can learn the needed skills. Demand is very strong in science, technology, engineering and math (STEM) jobs for "middle-skilled" workers.

The dark cloud on the horizon has been the impact of the structural changes in the economy (as well as the recession) on the wages of some groups. African-Americans and other minorities have been particularly hard hit by these forces, seeing wage declines in this metro and many others since 2009.

STRONG AND PRODUCTIVE ECONOMY

Mecklenburg County sits in the heart of a strong economic region. The following map shows the 10-County Charlotte-Concord-Gastonia Metropolitan Statistical Area (MSA).

10-COUNTY METROLPOLITAN AREA



Source: Brookings analysis of Moody's Analytics data

$126.2 billion

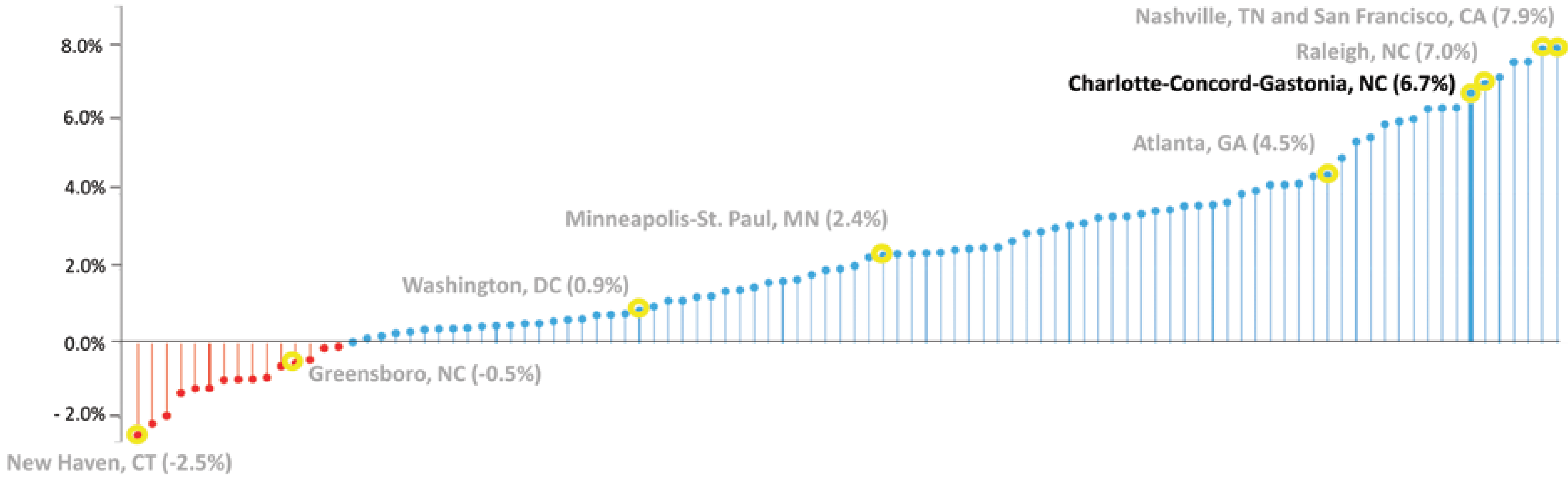
Metropolitan GDP
107th largest metro in the world

$53,142

Metropolitan GDP per Capita
61st wealthiest metro in the world

ADVANCED INDUSTRY IS RAPIDLY ADDING JOBS

From 2013 to 2015, the Charlotte metro area ranked seventh nationally in average growth in advanced industry jobs among the 100 largest metro areas.



Source: Brookings

KEY ADVANCED INDUSTRY SECTORS - CHARLOTTE METRO AREA

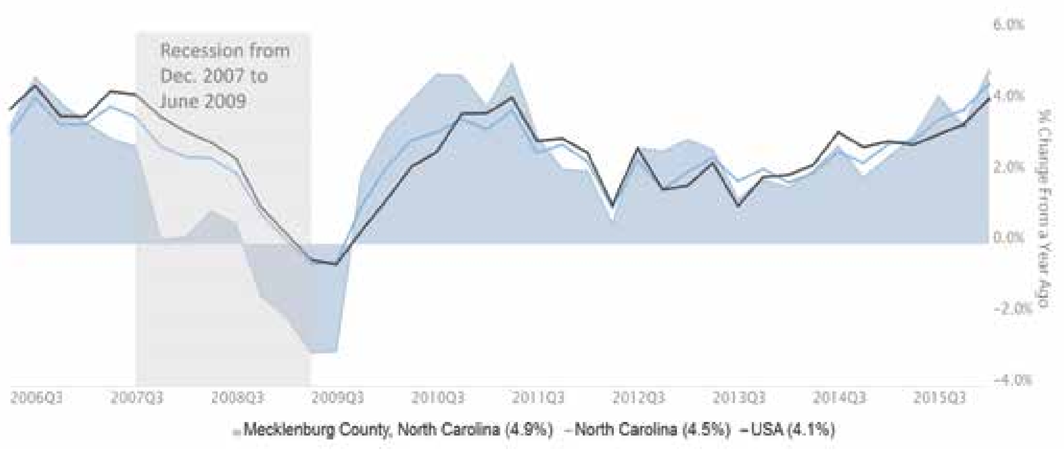
Industry	Number of jobs, 2015	Share of all advanced industries jobs, 2015	Growth, 2013–2015
Management, Scientific, and Technical Consulting Services	17,735	16.7%	+11.9%
Computer Systems Design and Related Services	12,565	11.8%	+14.9%
Architectural, Engineering, and Related Services	9,503	8.9%	+5.0%
Motor Vehicle Parts Manufacturing	8,358	7.9%	+6.1%
Data Processing, Hosting, and Related Services	7,788	7.3%	+5.8%

Source: Brookings

ANNUAL WAGES CONTINUE TO RISE

The most recent increase in average wages places Mecklenburg County above national and state averages.

AVERAGE ANNUAL WAGES FOR MECKLENBURG COUNTY, NC

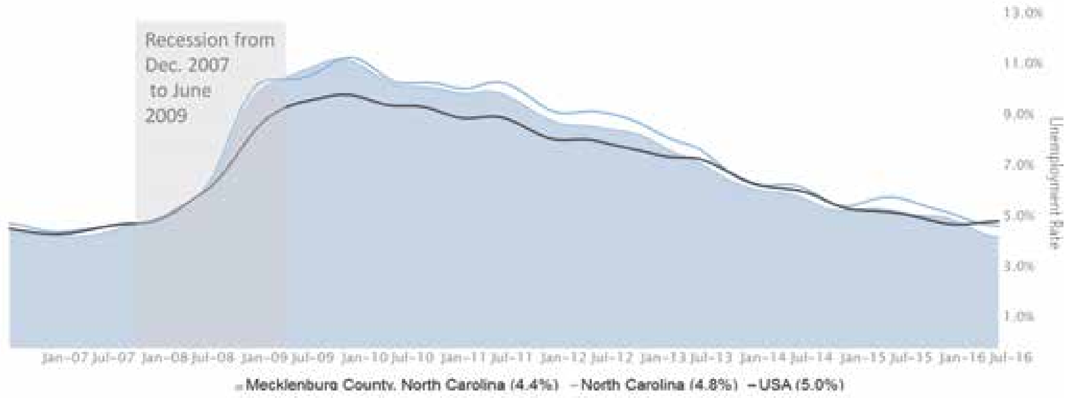


Sources: Jobs EQ®, Q2 2016, official dates of recession from Bureau of Labor Statistics

LOW UNEMPLOYMENT DRIVES DEMAND FOR LABOR

The current U.S. environment of low unemployment and reduced labor force participation means growing competition for workers. These pressures can drive up local wages and open opportunities for advancement if workers have skills in demand.

SEASONALLY ADJUSTED UNEMPLOYMENT RATE FOR MECKLENBURG COUNTY, NORTH CAROLINA

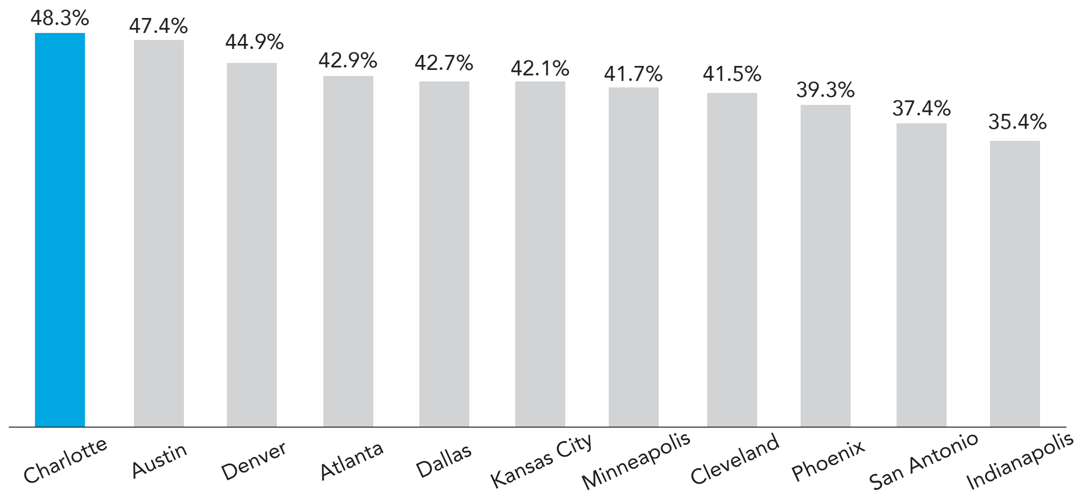


Sources: Brookings analysis of U.S. Census Bureau data, Jobs EQ®, Aug 2016

STRONG DEMAND FOR STEM SKILLS

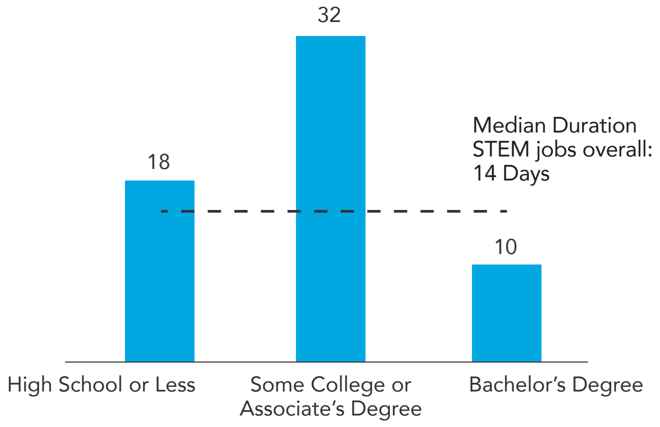
The Charlotte metro has high demand for STEM occupations, especially in middle-skill jobs, helping maintain attractiveness for local and in-migrant workers.

SHARE OF JOB ADS IN STEM OCCUPATIONS
GREATER CHARLOTTE AND PEER REGIONS, 2013



Source: Brookings analysis of Burning Glass data

DAYS TO FILL STEM OCCUPATIONS BY EDUCATION
GREATER CHARLOTTE, 2013



LITTLE TO NO RECOVERY FOR MINORITY WAGES

One reflection of the structural changes to the economy is a drop in African-American wages across numerous metropolitan areas. The drivers of this strong effect on African-Americans is high representation in sectors that were hit by both the recession and structural economic changes.

	Metro Area (% African-American)	African American wage change 2009-2014 (%)
1	Akron, OH (11.9)	-27.3
2	Las Vegas, NV (10.8)	-22.2
3	Sacramento, CA (7.1)	-22.1
4	**Winston-Salem, NC (17.7)**	**-21.2**
5	New Haven, CT (12.8)	-19.9
6	Harrisburg, PA (10.3)	-19.6
7	Augusta, GA (35.6)	-19.6
8	Columbus, OH (14.6)	-18.6
9	Cincinnati, OH (12.2)	-18.4
10	**Raleigh, NC (20.2)**	**-17.4**
11	Nashville, TN (15.3)	-16.8
12	Knoxville, TN (5.9)	-16.8
13	**Charlotte, NC (22.2)**	**-15.2**

	Metro Area (% African American)	African American wage change 2009-2014 (%)
14	**Greensboro, NC (26.3)**	**-15.2**
15	Birmingham, AL (28.6)	-14.9
16	Detroit, MI (22.5)	-14.8
17	San Jose, CA (2.5)	-14.8
18	Boston, MA (7.8)	-13.7
19	Los Angeles, CA (6.7)	-13.3
20	Phoenix, AZ (5.2)	-13.1
21	Cleveland, OH (20.0)	-9.3
22	Jacksonville, FL (21.5)	-7.5
23	Baltimore, MD (28.9)	-7.5
24	Philadelphia, PA (20.8)	-7.5
25	New York, NY (17.1)	-4.3

Sources: Brookings Metro Monitor (100 largest metros), US Census 2015 population estimates of Black or African American population

CHARLOTTE SKYLINE

HOUSING AND DEVELOPMENT

One of Charlotte metro's strengths is the relatively low cost of living combined with annual average salaries of approximately $63k. The County's cost of living for goods and services is 2.1 percent lower than the United States' average.

However, overall rising rental costs within the County threaten access to affordable housing options. The average share of income spent on rent is 27 percent and continues to trend upwards. As a result, lower income residents are less and less able to live near jobs and needed services. Persons moving into the Charlotte metro area who are able to afford homes (instead of renting), often choose to live in surrounding counties, where more affordable mortgages offer options harder to find within Mecklenburg County.

While a rising income-to-rent ratio hinders affordability, there is opportunity to improve the community's access to broadband speeds that vary significantly by income. Quality broadband access allows students, workers, and households to benefit from the power of the internet.

COST OF LIVING REMAINS LOW

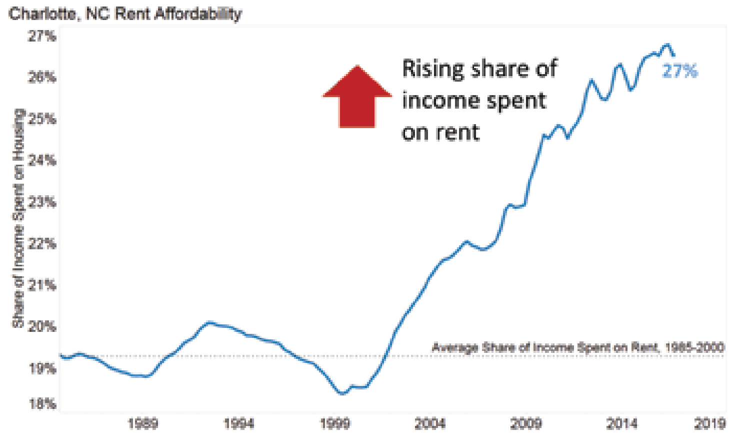
Based on the cost of living index, average annual purchasing power for persons living in Mecklenburg County is $11k more than the U.S. average.

	Annual Average Salary	Cost of Living Index (Base US)	US Purchasing Power
Mecklenburg County	**$63,751**	**97.9**	**$65,102**
North Carolina	$47,625	96.3	$49,456
USA	$54,152	100.0	$54,152

Source: JobsEQ Q2 2016; developed by Chumura Economics & Analytics

PERCENT INCOME SPENT ON RENT IS RISING

The average share of income spent on rent in the County is at 27 percent. It is recommended that no more than 30 percent of income be spent on housing, as anything above that threshold is considered cost-burdening.



Source: Zillow

RISING HOUSING COSTS CREATE DISPARITIES

As housing costs rise, it creates larger disparities in opportunity along race and economic lines. The large gap between the minimum wage and the living wage has been affected by growing housing costs along with the need for more training and education in the jobs market.

MECKLENBURG HOUSING CONTEXT

Source: University of North Carolina Charlotte Urban Institute (2016)

MECKLENBURG COUNTY WAGE ESTIMATES BY FAMILY STRUCTURE

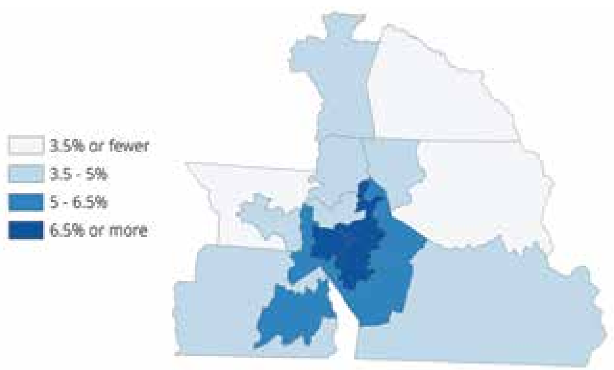
Hourly Wages	1 Adult	1 Adult 1 Child	1 Adult 2 Children
Living Wage	$10.91	$22.28	$26.65
Poverty Wage	$5.00	$7.00	$10.00
Minimum Wage	$7.25	$7.25	$7.25

Source: MIT http://livingwage.mit.edu

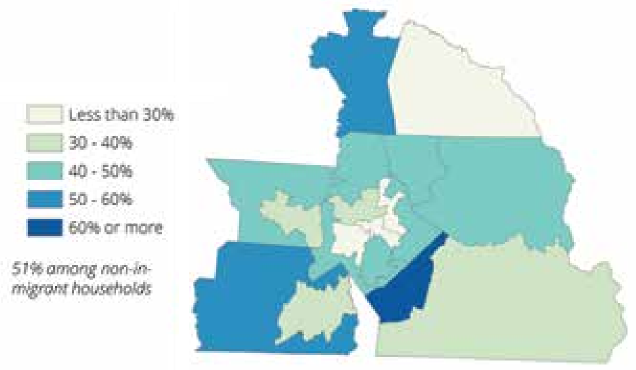
MOVING TO THE CHARLOTTE METRO AREA

The following maps show new arrivals as a share of population by Census PUMA (Public Use Microdata Areas). When persons move to the Charlotte Metropolitan Statistical Area (MSA), the majority move to the Uptown or nearby Charlotte metro area. However, of those migrants who are married, many choose to live in more suburban areas.

IN-MIGRANTS AS SHARE OF POPULATION



SHARE OF MARRIED IN-MIGRANT HOUSEHOLDS

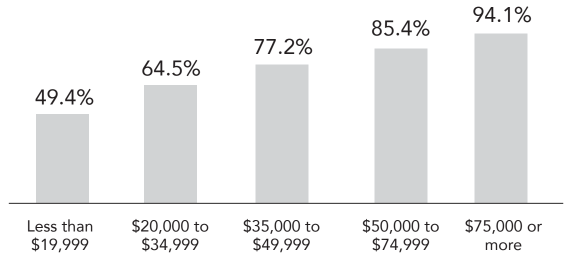


Sources: Carolina Demography, UNC, Rebecca Tippett

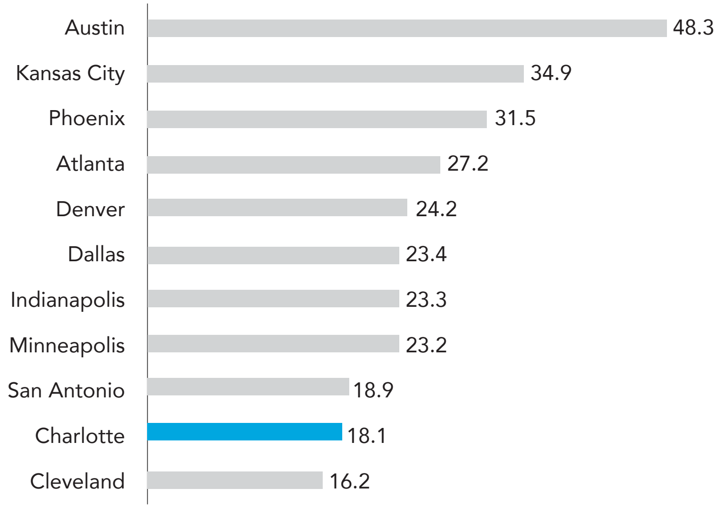
BROADBAND SPEEDS LAG AND ACCESS VARIES BY INCOME

Charlotte's average internet download speeds lag compared to its peer cities. Additionally, those residents with lower incomes are less likely to have broadband access. Increasing access to broadband is an area of great opportunity for making a difference in the lives of residents.

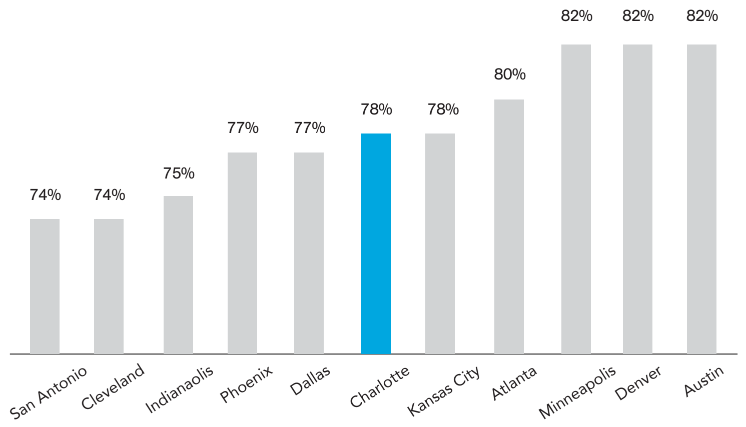
BROADBAND ACCESS IN CHARLOTTE METRO, BY INCOME, 2014



INTERNET DOWNLOAD SPEED, MBPS, 2015



SHARE OF HOUSEHOLDS WITH BROADBAND ACCESS, 2014



Sources: Brookings analysis of data from Ookla; U.S. Census Bureau

UPTOWN CHARLOTTE

EDUCATION

To support continued growth and prosperity, it is important that a community provides both a quality education to residents, and an adequate education infrastructure beyond high school which encourages them to attend universities.

When it comes to providing a quality education, fourth grade reading proficiency is increasing and the high school graduation rate of Charlotte-Mecklenburg Schools (CMS) is high and increasing, both strengths of Mecklenburg County. There is also a closing gap in high school graduation rates among race/ethnic groups and among schools.

Despite this high graduation rate, there is a need for remediation of many CMS graduates who attend Central Piedmont Community College (CPCC), the local community college. This weakness among some graduates could reinforce the reliance on residents from other counties, states, or countries to supply local workforce needs. More importantly, it could leave those local graduates with fewer opportunities in the local economy.

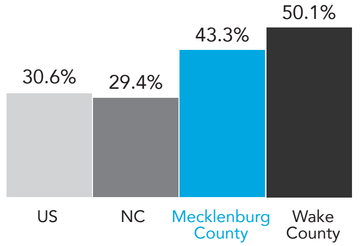
In the education infrastructure beyond high school, despite rapid growth and development of colleges and universities, the Charlotte-metro area trails other peer metropolitan areas in Research and Development (R&D) expenditures for universities in the area, as well as business-funded R&D.

Local support for all levels of education as well as research activities presents an important opportunity to build on the momentum of recent growth and development of local institutions that will support opportunity and the strengthening of the overall economy.

MECKLENBURG COUNTY IS WELL-EDUCATED

Over 40 percent of county residents have at least a Bachelor's degree – well above the state and national averages.

PERCENTAGE OF POPULATION WITH BACHELOR'S DEGREE OR HIGHER, 2015



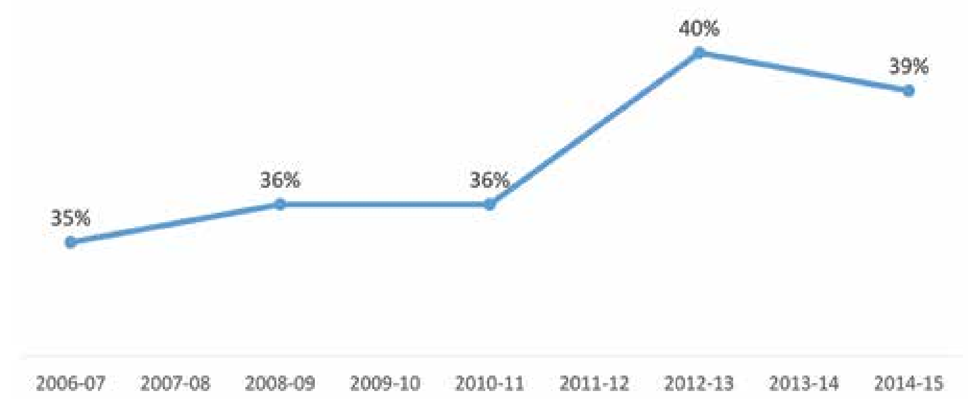
Comparison Counties (2015)	% BA+ population
Arlington County, VA	73.2 (highest US)
Orange County, NC (Chapel Hill)	56.5 (highest NC)
Travis County, TX (Austin)	47.2
Denver County, CO	47.1
Dallas County, TX	30.1
Bexar County, TX (San Antonio)	26.5

Sources: U.S. Census Bureau, American Community Survey 1-Year Estimates

DEVELOPING THE LONG-TERM PIPELINE

Progress has been made in early grade proficiency levels.

MECKLENBURG FOURTH GRADE READING PROFICIENCY

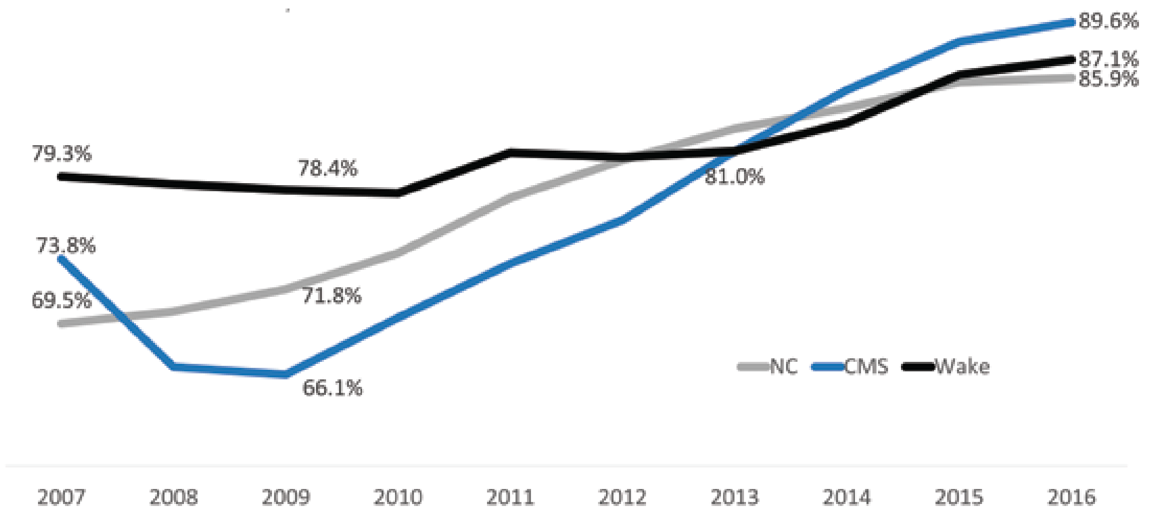


Source: The Nation's Report Card prepared by the National Assessment of Education (NAEP)

LOCAL HS GRADUATION RATES ARE INCREASING

An increasing number of students educated by Charlotte-Mecklenburg Schools (CMS) are graduating from high school, a core credential in the pursuit of economic opportunity in the modern economy.

4-YEAR COHORT GRADUATION RATE BY GRADUATION YEAR

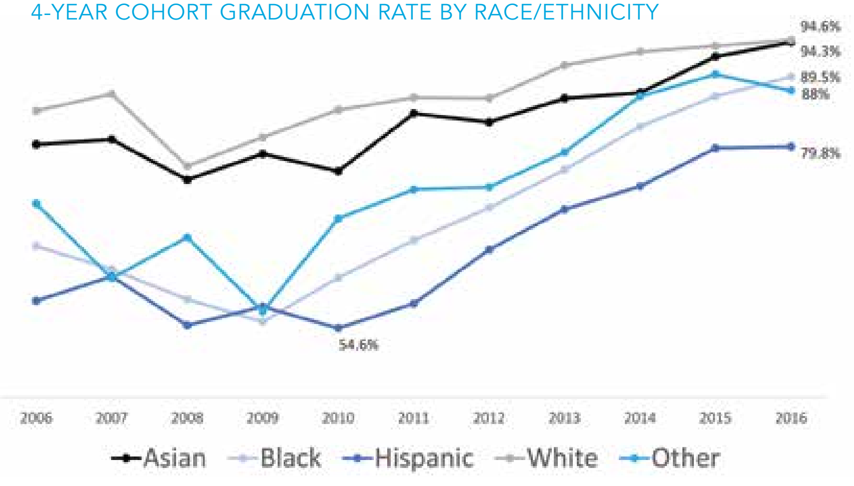


Source: Public Schools of NC, Department of Public Instruction

GAPS AND DISPARITIES IN GRADUATION DIMINISHING

The thirty percentage-point gap that once existed for CMS students based on race/ethnicity is closing, and graduation rates are increasing at most CMS schools, regardless of size.

4-YEAR COHORT GRADUATION RATE BY RACE/ETHNICITY



GRADUATION RATE TRENDS BY HIGH SCHOOL SIZE

Smaller School, Increasing Grad Rate

School Name	Size in 2016	% Change (2013 – 2016)	Graduation rate in 2016
Hawthorne HS/TAPS	28	19.73%	82.1%
West Charlotte	361	17.23%	85.9%
Olympic - Renaissance School	123	10.37%	93.5%
Olympic - School of Biotechnology, Health	131	10.24%	94.7%
MG Davis Military & Global Leadership	34	7.40%	100.0%
East Mecklenburg	375	5.63%	88.8%
Olympic – Math Engineering Tech	135	4.12%	97.0%
Northwest School of the Arts	108	2.70%	100.0%
Cato Middle College High	72	0.00%	100.0%

Larger School, Increasing Grad Rate

School Name	Size in 2016	% Change (2013 - 2016)	Graduation rate in 2016
West Mecklenburg	470	11.24%	87.2%
Myers Park	647	8.94%	94.0%
Independence	566	7.46%	91.2%
North Mecklenburg	433	6.38%	94.0%
South Mecklenburg	716	6.28%	93.9%
Phillip O Berry	414	6.13%	97.8%
Hopewell	432	5.88%	91.9%
Zebulon B. Vance	413	4.91%	85.5%
Mallard Creek	604	2.76%	97.8%
Providence	454	2.26%	97.4%
William Amos Hough	598	1.71%	93.8%
Ardrey Kell	643	1.12%	98.1%

Smaller School, Declining Grad Rate

School Name	Size in 2016	% Change (2013 - 2016)	Graduation rate in 2016
Harding University	339	-15.57%	75.8%
Garinger	382	-15.11%	80.1%
Rocky River	399	-4.04%	89.0%

Larger School, Declining Grad Rate

School Name	Size in 2016	% Change (2013 - 2016)	Graduation rate in 2016
David W. Butler	477	-0.76%	92.7%

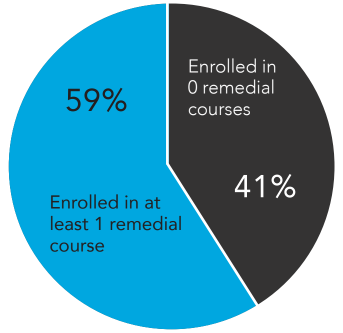
Source: Public Schools of NC, Department of Public Instruction

HIGHER NEED FOR REMEDIATION

In 2015, nearly 60 percent of CMS high school graduates attending Central Piedmont Community College (CPCC) enrolled in at least one remedial course, an increase from the previous year.

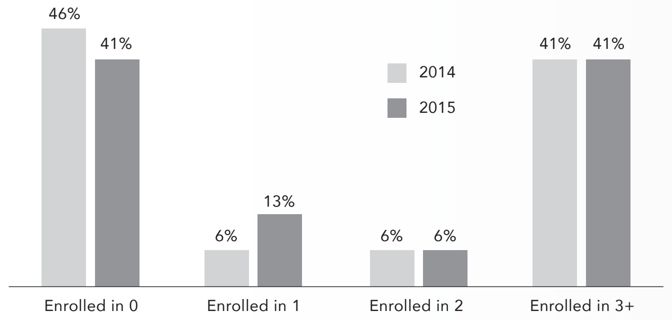
PERCENT OF CMS HS GRADUATES ENROLLED IN AT LEAST ONE REMEDIAL COURSE AT CPCC, 2015

(1,958 CMS STUDENTS ENROLLED IN 2015; 8,694 TOTAL CMS GRADS)



Source: 2014-15 CMS High School Principals' Luncheon Data
Note: Cannot report less than 10 students-FERPA rules

PERCENT OF CMS GRADUATES ENROLLED IN REMEDIAL COURSES AT CPCC, 2014 AND 2015



Source: 2014-15 CMS High School Principals' Luncheon Data
Note: Cannot report less than 10 students-FERPA rules

R&D EXPENDITURES SIGNIFICANTLY TRAIL PEER METROS

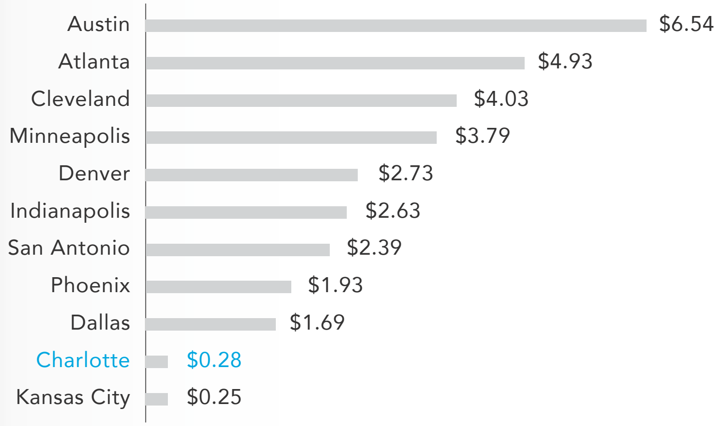
UNC-Charlotte, the Charlotte metro's most significant research asset, ranks 246 in Research & Development expenditures, well below peer cities, and below other North Carolina institutions.

HIGHER EDUCATION R&D EXPENDITURES, TOP SOURCE BY METRO, FY2013

Rank	Institution	Metro Area	R&D expenditures (millions USD)
8	**Duke University**	**Durham**	**$992,821**
9	**UNC Chapel Hill**	**Raleigh**	**$973,007**
15	University of Minnesota	Minneapolis	$858,378
23	Georgia Institute of Technology	Atlanta	$730,488
31	University of Texas	Austin	$634,132
45	University of Texas Southwestern Medical Center	Dallas	$440,620
50	Case Western Reserve University	Cleveland	$425,788
51	**NC State University**	**Raleigh**	**$417,468**
52	University of Colorado	Denver	$409,443
53	Arizona State University	Phoenix	$405,154
70	Indiana University-Purdue University	Indianapolis	$332,760
108	**Wake Forest University**	**Winston-Salem**	**$182,721**
113	University of Texas Health Science Center	San Antonio	$175,983
236	University of Missouri	Kansas City	$28,829
246	**University of North Carolina**	**Charlotte**	**$24,764**

Sources: NSF Higher Deucation Research and Development Survey data

ALL R&D CONDUCTED AT UNIVERSITIES PER $1,000 OF GDP, 2013 OR LATEST YEAR AVAILABLE



Sources: NSF Higher Education Research and Development Survey data

MECKLENBURG COUNTY COMMUNITY PULSE REPORT

SUMMARY

While the County is at the heart of a strong, rapidly growing metro economy, its growth has not always been inclusive. The challenge for the community is to build on the impressive strengths and bring opportunity for those who move to and currently reside in Mecklenburg county.

Mecklenburg County Government's focus on people puts it at the center of these challenges and makes it a champion of those who live in Mecklenburg county, AND a force for keeping the area attractive and growing.

Local support for all levels of education as well as research activities presents an important opportunity to build on the momentum of recent growth and development of local institutions. Such growth will support opportunity and strengthen the overall economy.

LAKE NORMAN

SUMMARY
(CONTINUED)

GREATER CHARLOTTE'S ECONOMY HAS GROWN RAPIDLY

Among the 100 largest US metros, Charlotte metro ranks in the top twenty in overall growth.

	1 year	5 years	10 years
Jobs (100 metro rank)	+3.6% (13th)	+11.3% (14th)	+15.3% (16th)
Gross Metro Product (GMP) (100 metro rank)	+3.0% (22nd)	+15.6% (17th)	+23.5% (18th)
Aggregate Wages (100 metro rank)	+5.1% (17th)	+18.1% (10th)	+23.3% (20th)
OVERALL GROWTH (100 metro rank)	**17th**	**10th**	**18th**

Source: Brookings Metro Monitor

BUT THAT GROWTH HAS NOT NECESSARILY BEEN INCLUSIVE

Among the 100 largest US metros, Charlotte metro ranks in the bottom fifty in overall inclusion.

	1 year	5 years	10 years
Employment/ Population (100 metro rank)	+1.4% (39th)	+1.2% (44th)	-4.6% (82nd)
Median Wage (100 metro rank)	-1.3% (68th)	-7.5% (84th)	-10.0% (86th)
Rel. Poverty Rate (100 metro rank)	+1.2% (73rd)	-2.0% (36th)	+12.9% (92nd)
OVERALL INCLUSION (100 metro rank)	**65th**	**59th**	**95th**

Source: Brookings Metro Monitor

MARSHALL PARK

MECKLENBURG COUNTY COMMUNITY

PULSE REPORT

2017

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County Manager's Office
Strategic Planning & Evaluation

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